

Russia, Italy, Britain Face Credit-Rating Scrutiny in 2015

By [The Moscow Times](#)

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Russian President Vladimir Putin speaks during his annual end-of-year news conference in Moscow, in this Dec. 18, 2014 file photo.

LONDON — Russia's potential demotion to 'junk' credit status in January, a crunch review for Italy's debt at the end of March and a reappraisal of Britain after its election are key dates on Europe's 2015 credit rating calendar.

European Union rules introduced at the start of this year require Standard and Poor's, Moody's, Fitch and other ratings agencies that operate in Europe to publish the dates when they will review a country.

Ratings matter because many investors prefer to steer clear of debt judged to be non-investment grade or 'junk', and S&P has said it will decide in mid-January whether to push Russia into that category.

Russia is currently at BBB-, but with oil prices nearing \$55 a barrel and the Central Bank having to work hard to prop up the ruble, financial markets are treating Russian credit as if it was already deep into junk at a single B.

S&P hasn't put an exact date on when it will 'resolve' its current downgrade review, but if it doesn't cut it by the end of January it will have another opportunity on April 17.

Also under scrutiny will be Italy and France, founding members of the European Union which are struggling to revive their limping economies, and Greece, whose Jan. 25 election could underscore a popular rejection of its bailout terms.

On March 27, the smaller DBRS agency could deliver a downgrade to Italy that would cut 5 percent off the value of the bonds its banks use as collateral to get cheap funding from the European Central Bank.

S&P has Italy, like Russia, on to the cusp of 'junk' at BBB- albeit with a stable rating. It will review Italy again on May 15, while Moody's and Fitch will do so on Feb. 13 and April 24.

For Britain, June 12 looks like a crucial date with reviews from both S&P and Fitch, just over a month after a general election that could put it on course for a national referendum on leaving the European Union. Only S&P among the major agencies still has Britain on AAA.

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